RAJYA SABHA

Tuesday, the 18th March, 1986/27 Phalguna, 1907 (Saka)

The House met at eleven of the clock, **Mr. Chairman** in the Chair.

ORAL ANSWERS TO QUESTIONS

News-item captioned "Tourist racket to smuggle in VCRs"

*321. SHRI PARVATHANENI UPENDRA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to news-item published in the 'Hindustan Times' of the 5th December, 1985 captioned "Tourist racket to smuggle in VCRs"; and

(b) if so, what action has been taken to check such activities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) A statement is laid on the Table of the House.

Statement

A report had appeared in the 'Hindustan Times' of 5th December, 1985 regarding organised groups employing 'Carriers' to go to nearby countries for bringing valuable electronic items for sale in India.

The Baggage concessions are meant only for *bonafide* passengers and Customs Authorities are empowered under the law to deny the duty free allowances to carrier passengers and impound their goods. The Baggage Rules have also been amended with effect from 15th February, 1986 to provide that in the case of Colour Television, Video Cassette Recorders, Video Cassette Players or Video Cameras, the admissible free allowance, that can be permitted to be set-off against the value of these articles for charging duty, will be limited to Rs. 500 Further with effect from 1-3-86, additional duty of customs of Rs. 15000 per set on Colour T.V. set of screen size exceeding 36 cms. and of Rs. 1000 per set in the case of those of screen size not exceeding 36 cms. have been imposed. These steps would act as discentive for such activities.

SHRI PARVATHANENI UPENDRA: Sir, the report says that some organised syndicates send Indian tourists regularly to Hongkong and Sigapore for just two or three days to bring back colour TV sets and VCRs, to be sold by the syndicates at a very high profit. Will the Minister confirm the operation of such syndicates? I would also like to know whether these syndicates have been identified and if so, what action has been taken against these people?

SHRI JANARDHAN POOJARI: Sir, wherever there are violations, action will be taken. In order to avoid this, as a preventive measure, as I have said in the main reply, from 15th February, 1986, we have reduced the free allowance in the case of certain specified articles brought as baggages to Rs. 500. Action taken has been clearly mentioned in the main reply. ASI said earlier, if specific instances are brought to our notice, action will be taken and we will not spare anybody.

SHRI PARVATHNENI UPENDRA: Have you identified the syndicates? This way my question.

MR. CHAIRMAN: Is there any organised syndicate which is doing this business? Have you any information on this?

SHRI JANARDHAN POOJARI: I do not have any information on this.

SHRI PARVATHANENI UPENDRA: Sir, according to the Government of India notification, when they are importing these items as personal baggage, they stipulate that it would be for their personal use or for the use of their family only. I would like to know whether the Government is insisting on the observance of the rule or they are allowing these items to be sold.

SHRI JANARDHAN POOJARI: Government is implementing the rule and, in fact, when these violations have been brought to our notice, goods have been confiscated.

SHRI SANKAR PRASAD MITRA: Sir, in the main reply, there is a reference to the amendment of the Baggage Rules with effect from 15th February, 1986. Now, the free allowance is limited to Rs. 500. It has also been stated in the main reply that from 1-3-86, additional duty of customs will be Rs. 1500 per set on colour TV sets of screen size exceeding 36 cms. and Rs. 1000 ver set in the case of those of screen size not exceeding 36 cms. I would like to know, on what basis, is the value ascertained? Is it ascertained on the basis of the cash memo produced or the Customs have their own method of valuation?

SHRI JANARDHAN POOJARI: This is done on the basis of the cash memo which is shown at the counter. When it is not available, they have the discretion to find out and they make their own assessment so far as the value of the goods is concerned.

SHRI BIR BHADRA PRATAP SINGH: Mr. Chairman, Sir, in the anwser, the hon. Minister has talked about regulatory control and preventive measures. There are lot of electronic goods which are coming in. There is a lot of craze for it. They will go on coming. This will create three major problems, smuggling, blackmarketing and generation of black money. If these things are coming into the country, in order to avoid these major violations, will the hon. Minister consider—just as gold is allowed to be brought in by hon. resident Indians through the Reserve Bank of India—permitting these goods to be brought in by non-resident Indians through the Reserve Bank of India or other declared sources, to stop smuggling blackmarketing and generation of black money?

SHRI JANARDHAN POOJARI: Sir, I share the concern of the hon. Member. For the benefit of the House, I can say that because of the steps that have been taken, in the month of March, from 1st to 10th March, only 530 Televisions were brought in at Bombay Airport as Baggage whereas, prior to this provision, in the month of January, from Ist to 10th January, 1,020 Televisions were brought in. This is coming down because of the steps which have been taken. Sir, the hon. Member has given some suggestion. There is no such proposal.

SHRI JAGESH DESAI: Sir, to stop this menace, Government should see that those who buy from others are discouraged. For this purpose, the hon. Minister has said that many T.V. sets and VCRs are confiscated because they are not used by the persons who bring them for their own use. I would like to know how many such sets are confiscated and whether the Government proposes, through media publicity, to tell that so many sets have been confiscated and those who buy these goods from others will do so at their personal risk. Will the Government give that kind of publicity through AIR, TV and newspapers?

SHRI JANARDHAN POOJARI: Regarding the statistics, they are not available with me. About the publicity

we have already been doing it. We have also been highlighting it through TV. Hon. Member might have seen this on the TV. Publicity through other media is also given.

SHRI NIRMAL CHATTERJEE: Sir, we have worked out a certain arrangement for the purpose. There are a few fortunate people who go abroad, but why is it necessary that those who are fortunate to go abroad are allowed to bring goods from outside which are also available in the country? My question, therefore, is, why is it that we are not imposing a total ban on impart as passenger's baggake? In the case of someone who has been resident there for more than three years and he has accumulated certain goods, he may be allowed to import these thing. Otherwise, it should be discouraged totally because of the very difficult foreign exchange situation and because of the need to fight increasing fascination for foreign goods. (*Interruptions*)

SHRI JANARDHAN POOJARI: The hon. Member has put a very pertinent question. We cannot totally ban it. The policy of the Government is to restrict it. As the hon. Member knows, the restriction is to the extent of 170 per cent duty for the first slab and for the next slab it is 240 per cent duty. So, heavy duty is imposed but the people are still bringing the goods. The thinking fo the Government or the policy of the Government is to discourage it. It is also the policy of the Government to promote the use of indigenous products. However, your suggestion is noted.

SHRI THANGABAALU: There are groups employing carriers to get TV, VCR and other electronic goods from other countries. They are in collusion with the customs officials. It is well proved. Recently there was a statement in the papers that the houses of big customs officials were raided and a lot of unaccounted money, jewellery, and imported items were found from their houses. It is clear that they are in collusion with the carriers so that they are in a position to bring VCRs/T.Vs and other goods and sell them in the market at a very high profit. Will the Government inform the House as to how many officers have been punished in the past three years, or what action is being taken against them?

SHRI JANARDHAN POOJARI: It is an ongoing process and the exact figure I do not know.

SHRI P.N. SUKUL: He wanted the figures during the last three years.

MR. CHAIRMAN: He hasn't got the figures.

SHRI PAWAN KUMAR BANSAL: Sir, the goods which are seized by the customs are sold subsequently through various governmental agencies or through cooperatives. The craze for the foreign goods, therefore, continuance unabated. I would like to know from the Hon'ble Minister whether instead of selling those sets through public agencies these would be sent back to the countries of their origin.

SHRI JANARDHAN POOJARI: So far the practice is that we have been selling the goods through public agencies. After all, it will be the asset of the nation.

MR. CHAIRMAN: Say that you have noted the suggestion. Next question.

Change in Import Policy on TPA

*322. SHRI BISWA GOSWAMI:†
DR. (SHRIMATI) SAROJINI MAHISHI:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that due to the leakage of the information regarding revision of import policy on Terephthalic Acid (TPA), the main raw material for producing polyester

†The question was actually asked on the floor of the House by Shri Biswa Goswami.